

## **LIVING WAGE PROGRAM PRIOR TO MARCH 1, 2016**

In adopting the Living Wage Ordinance (LWO), Los Angeles County Code Chapter 2.201, in 1999, the Board made a finding that the County of Los Angeles (County) is the principal provider of social and health services within the County, especially to persons who are compelled to turn to the County for such services. The Board also acknowledged that employers' failure to pay a living wage to their employees causes them to use such services thereby placing an additional burden on the County. The LWO is applicable to Proposition A and cafeteria services contracts and subcontracts. Proposition A contracts are for services that could be performed by County employees, but are more economically performed by contractors.

The basic requirements of the LWO are as follows:

- Full time contract employees must be paid a living wage of:
  - \$9.64 per hour with health benefits of \$2.20 per hour or more; or
  - \$11.84 if health benefits are not provided
- Contract employees must be informed of their rights under the LWO through the annual distribution of LWO Notice to Employees handouts
- The Contractor must display a LWO Notice to Employee poster in a conspicuous place at each contract work-site where contract employees can see it
- For use of part-time employees, Contractor must demonstrate the necessity based on staffing efficiency or the County requirements of an individual job
- Minimum of 40 hours per week or a less number of hours in accordance with recognized industry standards approved by the CEO, but no less than 35 hours per week
- Non-full time employees may be paid less than the Living Wage

### **LWO Program Exemptions**

Contractors may be exempt from the LWO if they meet one or more of the following:

- The contractor has a collective bargaining agreement in place that expressly supersedes LWO - the bargaining agreement must refer directly to the LWO;
- The contractor is a non-profit corporation;
- Total County contracts don't exceed \$25,000 in any 12 month period; and/or
- Contractor is a small business.

The contractor is a small business if the following criteria are met:

- Has 20 or fewer full and part-time employees; and
- Is not an affiliate or subsidiary of a business dominant in its field of operation; and
- Preceding fiscal year gross revenues added to the annual amount of the contract to be awarded does not exceed \$1 million or \$2.5 million if the business is a technical or professional service.

To apply for an exemption from LWO, an Application for Exemption must be completed and submitted with the proposal. If approved, the continuing qualification for LWO exemption will be evaluated annually.

### **How Living Wage is Monitored**

The County Board of Supervisors has mandated that the LWO be strictly enforced and monitored by County Departments. In order to meet these requirements, contractors will provide requested documents and access to authorized County staff, for example:

- At contract start-up
  - Contractor shall submit a staffing plan listing all employees assigned to the County contract and required identification/employment information
  - If health coverage is to be provided, contractor shall submit copies of the health care plan and health care provider's premium payment schedule
- On-going during term of contract
  - Contractor shall complete payroll form provided by the County for each employee working on the County contract and submit to the County by the 15th of the month following the month worked
  - If health coverage is provided, contractor shall submit copy of canceled check whenever health insurance premium is due/paid
- On an as-needed basis, access to County staff of the following
  - Contractor's payroll source and related records
  - Contractor's staff for on-the-job interviews
  - Contractor's premises

## **Enforcement and Remedies**

If contractor fails to comply with the requirements of the LWO, the County shall have the rights and remedies described in the Contract and remedies provided by law or equity. These rights/remedies include the following:

- Withhold from payment to contractor up to the full amount of any invoice that would otherwise be due, until contractor has satisfied the concerns of the County;
- Assess liquidated damages from any payments otherwise due the contractor based on the per diem amounts described in the Contract;
- Terminate the Contract; and/or
- Debar the Contractor from award of future County Contract for a period of time consistent with the seriousness of the breach in accordance with Los Angeles County Code, Chapter 2.202, Determinations of Contractor Non-Responsibility and Contractor Debarment